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Message Text

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60
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04

NSAE-00 SIL-01 DODE-00 PM-04 H-02 L-03 NSC-05 PA-02

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TO SECSTATE WASHDC 4865
INFO AMEMBASSY BONN
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY THE HAGUE
AMEMBASSY PARIS
AMEMBASSY ROME
USMISSION EC BRUSSELS
USMISSION NATO BRUSSELS
USMISSION OECD PARIS
AMCONSUL BELFAST
AMCONSUL EDINBURGH

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E.O. 11652: N/A
TAGS: ELAB, EFIN, UK
SUBJECT: UK JOBLESS TOTAL TOPS 1.5 MILLION BUT PEAK
MAY BE NEAR

SUMMARY - LATEST FIGURES RELEASED AUGUST 24 BY THE
DEPARTMENT OF EMPLOYMENT (DE) SHOW THAT THE UK UNEMPLOY-
MENT TOTAL CONTINUED TO RISE OVER THE FIVE WEEKS ENDED
AUGUST 12 TO A NEW POST-WAR PEAK OF JUST OVER 1.5 MILLION.
HOWEVER, THE LATEST INCREASE WAS MUCH LESS THAN IN THE

PREVIOUS MONTH AT 38,520 COMPARED WITH 131,618. THE
UNDERLYING TREND AS REVEALED BY THE SEASONALLY ADJUSTED
TOTAL EXCLUDING SCHOOL-LEAVERS WAS STILL UPWARD BUT AT
A MORE MODERATE RATE INDICATING THAT THE PEAK OF UNEMPL-
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OYMENT MAY SOON BE REACHED. EVEN SO, TRADE UNION

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LEADERS HAVE SPOKEN OF THE NEED FOR A RADICAL CHANGE IN GOVERNMENT ECONOMIC POLICIES IF UNEMPLOYMENT CONTINUES TO RISE. LEN MURRAY, TUC GENERAL SECRETARY, DESCRIBED THE LATEST FIGURES AS "GRIM" AND URGED THAT "THE CENTRAL PRIORITY MUST BE THE PLANNED EXPANSION OF THE ECONOMY SO THAT WE CAN USE THE NATION'S RESOURCES TO THE FULL." END SUMMARY.

1. THE OVERALL TOTAL OF UNEMPLOYED IN THE UK INCREASED IN THE FIVE WEEKS ENDED AUGUST 12 BY 38,520 TO 1,501,976 OR 6.4 PERCENT OF THE LABOR FORCE. THERE WAS A SLIGHT FALL IN THE NUMBER OF SCHOOL-LEAVERS JOINING THE REGISTER SINCE JULY WITH 45,000 REGISTERING AND 50'000 LEAVING, MAKING A NET DECREASE OF 4,977 TO 203,477. SEASONALLY ADJUSTED AND EXCLUDING SCHOOL-LEAVERS, THE UK TOTAL

INCREASED BY 14,700 TO 1,309,300 OR 5.6 PERCENT OF THE LABOR FORCE COMPARED WITH AN INCREASE OF 38,300 IN THE PREVIOUS MONTH.

2. IN GREAT BRITAIN, WHICH EXCLUDES NORTHERN IRELAND, THE OVERALL TOTAL OF UNEMPLOYED INCREASED BY 37,499 TO 1,439,969 OR 6.3 PERCENT. UNEMPLOYED SCHOOL-LEAVERS FELL BY 4,767 TO 194,605. SEASONALLY ADJUSTED AND EXCLUDING SCHOOL-LEAVERS, THE TOTAL INCREASED BY 13,700 TO 1,256,500 OR 5.5 PERCENT. THE BASIC TREND IS BEST SHOWN BY THE THREE-MONTHLY AVERAGE MOVEMENT OF THE SEASONALLY ADJUSTED UNEMPLOYED. IN GREAT BRITAIN THE AVERAGE INCREASE OVER THE THREE MONTHS ENDED AUGUST 12 WAS 19,000 A MONTH, THE SAME AVERAGE INCREASE AS OVER THE THREE MONTHS ENDED JULY. THIS COMPARES WITH AN AVERAGE INCREASE OF 9,000 A MONTH OVER THE THREE MONTHS ENDED JUNE, 5,000 A MONTH OVER THE THREE MONTHS ENDED MAY, 7,000 A MONTH OVER THE THREE MONTHS ENDED APRIL, BUT OVER 40,000 A MONTH OVER THE FIRST QUARTER OF THE YEAR.

3. ANOTHER REASSURING FEATURE OF THE LATEST FIGURES WAS AN INCREASE IN THE NUMBER OF JOBS AVAILABLE FOR ADULTS INDICATING SLIGHTLY MORE BUOYANCY IN THE LABOR MARKET. IN GREAT BRITAIN, JOBS FOR ADULTS INCREASED BY 890 TO UNCLASSIFIED

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128,018 WHICH SEASONALLY ADJUSTED WAS AN INCREASE OF 10,300 TO 125,700. HOWEVER, JOBS FOR YOUNG PEOPLE DECREASED BY 1,143 TO 24,828. ON THE OTHER HAND, THERE WAS A FURTHER REDUCTION IN THE LEVEL OF SHORT-TIME WORKING. THE DE ESTIMATES THAT THE NUMBER OF PEOPLE WORKING SHORT-TIME IN BRITAIN IN MID-AUGUST WAS DOWN TO 30,000 COMPARED WITH A LEVEL OF ABOUT 90,000 IN MID-MAY.

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